

PROPOSAL FOR EXTENSION OF EXTERNAL RESEARCH CONTRACT

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Agriculture of the U.S.S.R.

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By the end of September, 1957, most of the planned research under the present contract will be at a juncture permitting the presentation of a series of articles or monographs that will cover the major areas of the research proposal. It is now apparent that further useful work can be done at [redacted] though on a smaller scale.

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An extension of the contract seems desirable to extend the work already done, and to investigate some closely related problems. The proposed areas of research will throw additional light on certain significant aspects of the Soviet agricultural economy, as follows:

a. Research would be done on the turnover tax on agricultural products, including both the theoretical and practical aspects of that tax. A theoretical analysis of the tax is important to the construction and evaluation of national income statistics, and to the use of national income data in the study of growth and in the analysis of the composition of output. It is probable that the turnover tax should be accepted as a factor payment, but the continued acceptance of this view requires more careful and extensive analysis than has yet been undertaken.

b. The second area of research would cover rural consumption. In the last 2 to 3 years, the Soviets have taken steps to spur agricultural output by increasing procurement prices and by adopting other devices designed to increase the incentives of the peasant. A comparison of present rural levels of consumption with earlier periods and with urban levels of consumption will help in evaluating the effectiveness of these measures.

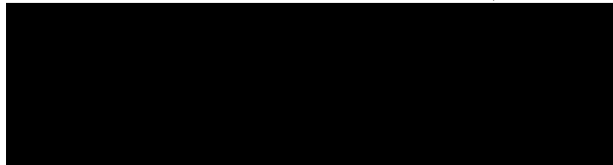
c. Various agricultural income series have already been developed during the present research project. These series could be carried forward an additional two years. These series not only increase our understanding of the agricultural situation, but assist in making national income estimates. The proposed study of rural consumption (b above) is closely related to the income problem.

d. Three specific research studies are proposed:

- (1) An analysis of the turnover tax on agricultural products.
- (2) Determination and comparison of rural and urban levels of consumption.
- (3) Development of various agricultural income series.

The budget for a two year extension of the contract would be as follows:

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Travel
Clerical
Report printing
Supplies and materials

Total



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